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Some Characteristics and Rates of Insured Unemployment in the Chicago Area 1957-58

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SOME CHARACTERISTICS AND RATES OF INSURED UNEMPLOYMENT
IN THE CHICAGO AREA 1957-58

by
Paul P. Baltis

A Thesis Submitted to the Faculty of the Institute of Social and
and Industrial Relations of Loyola University in Partial
Fulfillment of the Requirements for the Degree of
Master of Social and Industrial Relations

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CHAPTER I

SCOPE AND MEASUREMENTS OF THE LOCAL LABOR MARKET

Unemployment of 1957-58 was a major economic and social problem for the whole country. Areas with highly concentrated urban population felt it the most. The Chicago area was no exception regardless of its diversified industries and accessible markets. However, the Chicago area is neither one of the so-called "chronically depressed" localities with "long depressed" industries, nor is it within the boundaries of a "booming" region. We can assume that changes within the ranks of unemployed at this local labor market level followed in general the pattern of changes in the country and in the state.

Many economists and various governmental agencies have presented a variety of definitions of the local labor market. However, differences in the definitions mostly concern emphasis on certain points. Louis Levine of the Bureau of Employment Security of the Department of Labor understands the concept as follows: "A local labor market area may be defined as a geographic area consisting of a central city (or cities) and surrounding territory in which there is a concentration

of urban economic activity or urban labor demand and in which workers can generally change jobs without changing their residence."¹

Characteristics of the Chicago Area. This study is concerned with the geographic unit of Cook and DuPage Counties. The Illinois Department of Labor in its bimonthly publications Illinois Labor Bulletin and Chicago-Calumet Area Labor Market Trends refers to Cook and DuPage Counties as "Chicago Labor Market" or "Chicago Area". The Chicago-Calumet Area consists of Cook and DuPage Counties, Illinois, and Lake County, Indiana. The Chicago Metropolitan Area was defined until January 1960 by the Bureau of Census as consisting of Cook, DuPage, Kane, Lake, and Will Counties, Illinois and Lake County, Indiana.

In 1957 the total population in Cook and DuPage Counties was about 5,280,000. The labor force of 2,569,000 estimated in 1957 by the Illinois State Employment Service was distributed as follows: 2,490,400 employed, 78,500 unemployed, and 100 in labor-management disputes.² 98.8 per cent of the workers residing in Cook County and 98.1 per cent of the workers

¹

National Bureau of Economic Research, The Measurement and Behavior of Unemployment, Princeton: Princeton University Press, 1957, p. 328.

²

Illinois Department of Labor, Illinois Labor Bulletin, XVIII, March - April, 1958, p. 10.

residing in DuPage County were employed in establishments within the same counties. Workers residing in other counties contributed less than 3 per cent of the labor requirements of Cook and DuPage Counties.³

Relevant data for this investigation will be aggregates of workers covered by the State Unemployment Compensation Act. Consequently, the prevailing extent of insured employment within the same labor market is very important.

In the first quarter of 1957, 48,885 establishments with 1,784,693 workers or about 72 per cent of the estimated total labor force of Cook and DuPage Counties were covered by State Unemployment Compensation. The distribution of employees in covered firms was: manufacturing 839,015; mining 2,907; construction 91,069; public utilities 121,716; wholesale and retail trade 439,503; finance, insurance, and related establishments 111,661; services and miscellaneous 178,822. The 28 per cent of the total estimated labor force not covered by the state unemployment insurance law consists of the following groups: agricultural workers, domestic servants, employees of non-profit organizations, self-employed, railroad workers, Federal Government employees,⁴ local and state government

³ Chicago-Calumet Area Labor Market Trends, XX, August, 1959, p.16. Table A-1, XVII, May - June 1957, p.19.

⁴ Federal employees are covered by the law of Unemployment

workers, unemployed new entrants to the labor force.

Issues Involved. After definition of the Chicago local labor market and identification of the components of labor force to be measured, time limits on continuing statistical series must be set. Assuming that the general identification of April, 1958 as the depth of the recent business recession is correct, one year for decline and another for recovery phase has been chosen. Analysis of the continuing data of insured unemployment between April 1, 1957 and April 1, 1959 has been undertaken.

During the two year period, the Illinois Unemployment Compensation Act was amended on July 11, 1957 and July 1, 1958. With the first amendment effective after October 1, 1957, the maximum weekly benefit amount was raised from \$28.00 to \$30.00 for a person without dependents with a corresponding \$2.00 increase for persons with dependents. The base period qualifying wage amount was raised from \$550.00 to \$600.00. The second amendment effective as of July 1, 1958, established a temporary emergency benefits program. Emergency benefits were payable for a maximum of thirteen weeks to persons who

Compensation for Federal Employees and veterans by the Unemployment Compensation for Veterans. Both of these programs are administered by the State of Illinois but data is not included in this investigation. More information on excluded employment available in A Guide to the Illinois Unemployment Compensation Act, Illinois Department of Labor, 1956, pp.12-14.

had exhausted their 26 weeks of regular benefits after November 30, 1957.⁵

The concept of "unemployed" under the UI programs includes several important requirements for eligibility. The Claimant should (1) be totally or partially unemployed, (2) be able to work and available for work, (3) file a claim for unemployment benefits, (4) serve a "waiting week" which is usually the first week during which claimant files his claim. Federal employment security and the Illinois State Employment Service, in estimating unemployment, include: (1) insured unemployed under the UI program, (2) unemployed workers not covered by insurance, and (3) unemployed new entrants to the labor force. The Bureau of Census estimates unemployment on the national scale according to the degree of the worker's attachment to the job during the survey week. There is a certain degree of relationship between the Bureau of Census one per cent monthly sample data of unemployed and the other estimates on a current and continuing basis.

The problem within the limits of this undertaking is to analyze several generally proved and/or accepted labor market

⁵ On the following pages of this investigation the following abbreviations will be used: (1) UI for all State unemployment insurance systems or programs, (2) UI regular program for the program with 26 weeks maximum benefits and, (3) TEB for temporary emergency benefits program.

trends and patterns under local conditions by relating comparable data. There is no similar investigation at the local labor market level. It is assumed UI operational data at the Chicago labor market level will indicate that: (1) the rate of declining unemployment is behind the rate of other economic indicators, (2) the average age of unemployed tends to rise during the recovery phase, (3) workers in hard goods industries had the longest periods of unemployment. Subsequent chapters two, three, and four will analyze the statements correspondingly.

Sources Available and Definitions. The primary source of statistical data for analysis of the Chicago local labor market is the Research and Statistics Section of the Unemployment Compensation Division of the Illinois Department of Labor. The Division of Unemployment Compensation issues weekly reports on UI activities in the state and in Cook and DuPage Counties. The following data is included in the weekly reports: (1) insured unemployment or the number of workers reporting the completion of one week of unemployment, (2) total initial claimants or the workers who filed a notice at the beginning of a period of unemployment and established a starting date for any insured unemployment which may result if unem-

6

Data was not available to compare sex differentials as originally was intended.

played for one week (waiting week), (3) total of new initial claimants or workers establishing benefit rights for the twelve month period referred to as a benefit year, (4) total of additional initial claimants or workers filing notices at the start of a second or subsequent spell of unemployment which follows a break in job attachment and occurs during the previously established benefit year, (5) total persons in claim status, (6) total weeks compensated (subdivided in total unemployment and partial or other than total unemployment), (7) total amount of benefits paid for the week.

Analysis of age groups and industry attachment is based on data obtained from the work sheets of the Research and Statistics section. The following series of monthly data are available from this source: (1) complete enumeration of exhaustees or persons who have exhausted their benefit rights, (2) a ten per cent monthly sample of beneficiaries or persons receiving unemployment compensation. The ten per cent random sample is based on assigned terminal digits of social security numbers and obtained by using IBM payorder program. Industry attachment means the industry of last employment for about ninety per cent of the insured unemployed if a change of industry did not occur within the last three to six months.

Data on claimants from programs for Federal civilian

workers and for Korean veterans is not included in analysis of this particular local labor market. All the statistical tabulations, graphs and charts presented in this study are derived using data from the primary source described above.

When referring to other statistical series and publications the level of comparability is considered according to the nature and limitations of data. Publications, reports, and statistical series issued by the Illinois Labor Department or its components give the most valid comparisons in this case. The Monthly Report on the Characteristics of the Insured Unemployment, the Monthly Labor Review, and the monthly magazine, The Labor Market and Employment Security issued by the United States Department of Labor are the best references at the national level. Business Conditions, a monthly review by the Federal Reserve Bank of Chicago, Business and Economic Review, a monthly bulletin issued by the First National Bank of Chicago, and Commerce, a monthly magazine of the Chicago Association of Commerce and Industry are very good sources of information on economic activity at the regional and local levels.

CHAPTER II

RATES OF INSURED UNEMPLOYMENT AND ECONOMIC ACTIVITY

The change in employment and unemployment is a phenomenon closely related to the level of economic activity. The behavior of insured unemployment at the national and state levels is usually analyzed on the basis of initial claims and insured unemployment for a series of selected periods of time.

Analysis of Initial Claims Data. Statistical series of initial claims and insured unemployment for the Chicago local labor market area are closely related, in general, to the declines and increases of local and national economic activity (see Tables I and II). Economic indicators either lead, coincide with, or lag behind the recession cycle and its lower turning point analyzed in this case. The speed and level of increase in unemployment in the Chicago area was most intensive between October 1957 and August 1958. Tabulations for the week ending October 12, 1957 show 4,721 initial claims and 27,960 insured unemployment. Corresponding figures for the week ending August 16, 1958 are 12,900 and 91,856.

A summary of the tabulations on initial claims (see Fig-

ure 1) illustrates interesting peaks from January through July of 1958. Allowing for seasonal adjustment (particularly for January of 1958), which is not included in the illustration, and analyzing initial claims for the regular program only, the turning point in unemployment could be considered between March 15 and April 12 with corresponding figures for initial claims of 11,758 and 11,023.

Inclusion of initial claims of the Temporary Emergency Benefit Program changes the picture considerably. There are 11,494 TEB initial claims for the week ended July 5, 1958. Most of these initial claimants exhausted their 26 weeks of regular benefits before July 1, 1958 and were excluded from the UI tabulations. This indicates one inherent limitation of the unemployment insurance statistical series for periods of substantial and long duration unemployment. Self adjustment within the data was realized with the establishment of the TEB program at this time. Considering statistical behavior in the volume of initial claims of both UI regular and TEB programs as a whole the turning point in unemployment would rather be July of 1958. The increases in volume of initial claims in December 1958 and January 1959 are attributable partially to seasonal changes in certain industries and inventory slow-downs in trade establishments.

The volume of initial claims does not pin-point the level

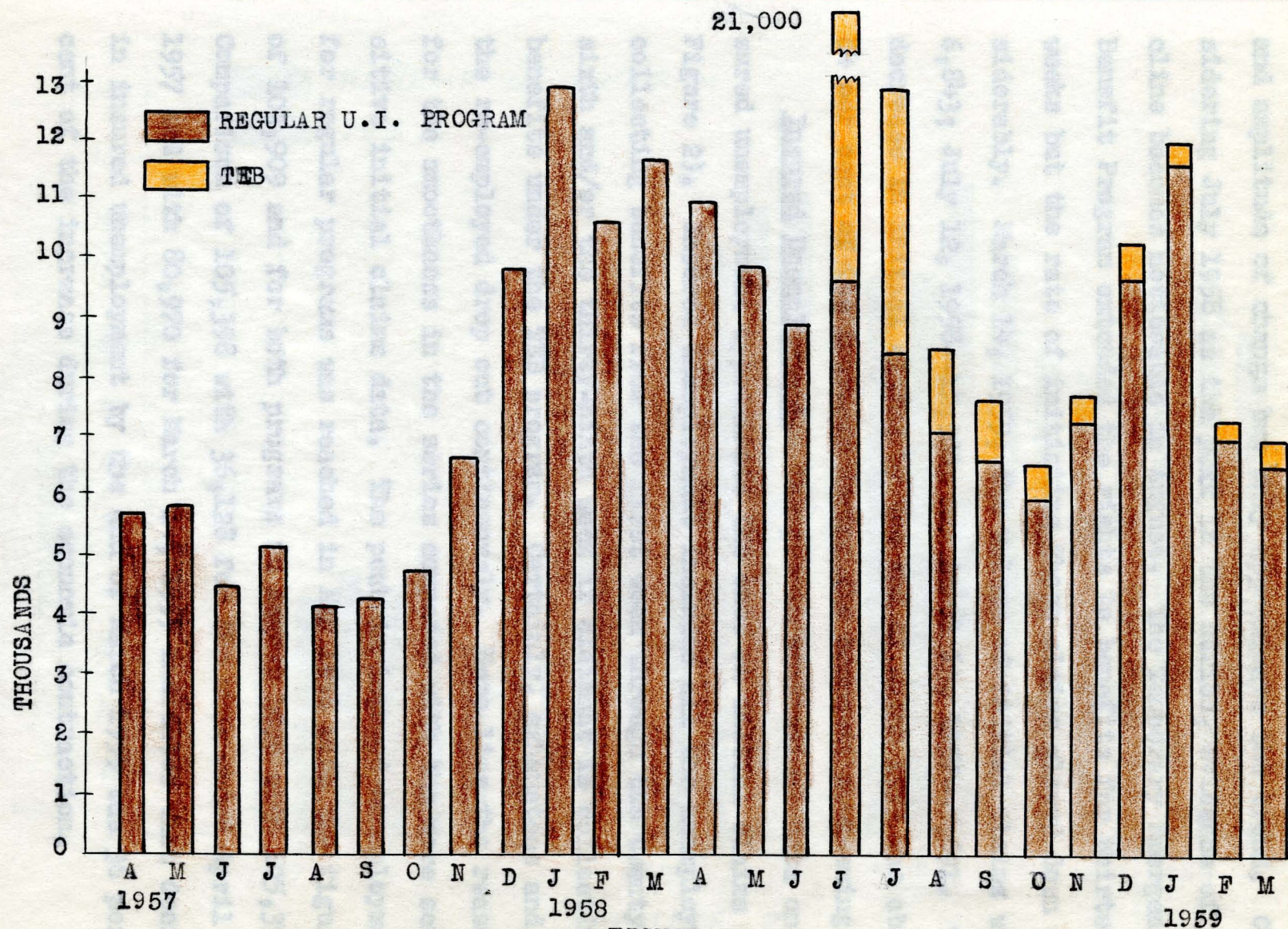


FIGURE I
INITIAL CLAIMS FOR REGULAR AND TEB PROGRAMS

and amplitude of change but only approximate the trend. Considering July 1958 as the peak in the series, evidence of decline becomes noticeable in August. The Temporary Emergency Benefit Program extended the rights to benefits for thirteen weeks but the rate of initiating those claims slowed down considerably. March 14, 1959, the volume of initial claims was 6,843; July 12, 1958--12,900; and April 13, 1957--5,691. The decrease in initial claims by the end of March 1959 was about 84 per cent of the increase during the economic down-swing.

Insured Unemployment. Changes in statistical data on insured unemployment approximate the ones on initial claims (see Figure 2). Insured unemployment includes all the unemployed collecting benefits from the first week through the twenty-sixth and/or the thirty-ninth week if claimant is collecting benefits under the TEB program. Certainly, exhaustees and the re-employed drop out continuously. Here lies the reason for the smoothness in the series compared with the more sensitive initial claims data. The peak in insured unemployment for regular programs was reached in May 1958 with the figure of 103,909 and for both programs in August 1958 with 105,398. Comparison of 105,398 with 36,128 for the week ended April 13, 1957 and with 80,970 for March 14, 1959 indicates that decrease in insured unemployment by the end of March 1959 was 36 per cent of the increase during the economic contraction.

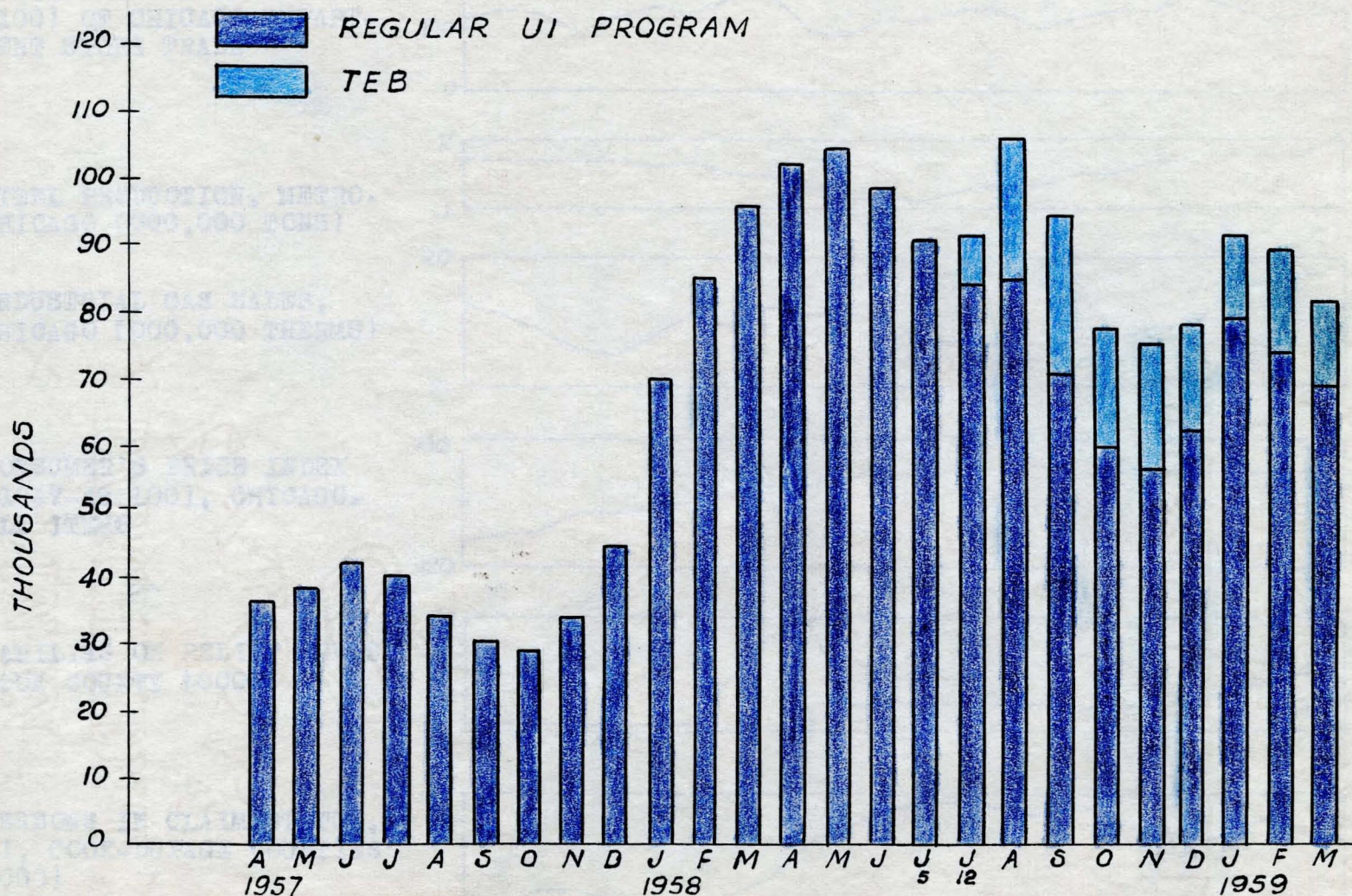


FIGURE 2

INSURED UNEMPLOYMENT FOR REGULAR AND TEB PROGRAMS

MONTHLY INDEX (1947-49
100) OF CHICAGO DEPART-
MENT STORE TRADE



STEEL PRODUCTION, METRO.
CHICAGO (000,000 TONS)



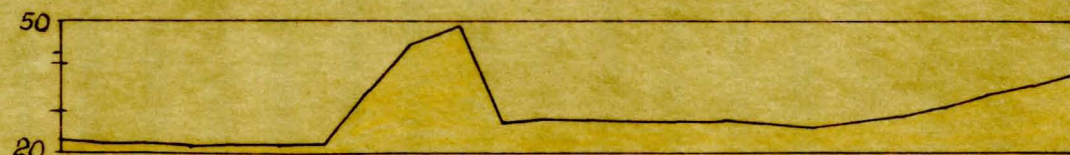
INDUSTRIAL GAS SALES,
CHICAGO (000,000 THERMS)



CONSUMER'S PRICE INDEX
(1947-49 100), CHICAGO,
ALL ITEMS



FAMILIES ON RELIEF ROLLS,
COOK COUNTY (000)



PERSONS IN CLAIM STATUS,
UI, COOK-DUPAGE COUNTIES
(000)

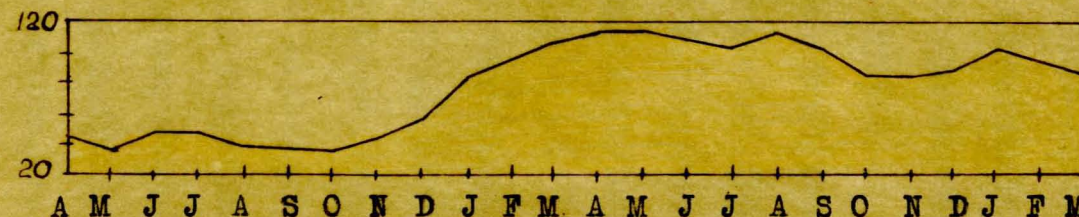


FIGURE 2-A

SELECTED BUSINESS INDICATORS FOR CHICAGO AREA APRIL 1957 - MARCH 1959

Analyzing the data of total persons in the claim status, which means the sum of initial claims and insured unemployment, the following extremes in levels and amplitude are noticeable: the week ended April 13, 1957--41,819; April 12, 1958,--114,545; March 14, 1959--87,813. The figures show that the decrease in the total of persons in claim status during the first twelve months of recovery amounted only to thirty-seven per cent of the increase during the twelve months of the downturn.

Data on the total weeks compensated follows very closely the series and fluctuations of the statistics on total persons in claim status. The accession rate into the ranks of insured unemployed based on four week periods reached the highest point of forty-eight per cent in January 1958, and the separation rate reached the lowest point of twenty-five per cent in March 1958. Increase in additional claims usually indicates the end of seasonal or temporary jobs like construction, food canning, and apparel.

The United States Department of Labor classifies Metropolitan areas by the ratio of unemployment to the labor force. The range for group B is 1.5 - 2.9 per cent, for group C, 3.0 - 5.9 per cent and group D, 6.0 - 8.9 per cent. The Chicago Metropolitan Area was in group B in April 1957, was reclassified in group C in December 1957, and group D in May

1958. Regardless of the improvement in employment and the decrease in unemployment, the Chicago Metropolitan area reached a local labor market ratio of 8.8 per cent and stayed in Class D until June 1959. The recession turning point for unemployment in the Chicago area was not April 1958 but rather June. The average national unemployment ratio never reached 8.0 per cent.¹

Total initial claims for the State of Illinois reached the highest volume of 37,972 in July 1958 and insured unemployment reached the highest volume of 176,701 in April 1958. Total initial claims for the United States were at a level of about two million during the months of December 1958 through April 1959.²

The average length of a work week in manufacturing in the Chicago-Calumet area varied as follows: 41.0 hours in June 1957; 40.4 hours in August 1957; 38.5 hours in February 1958; 38.3 hours in March through June 1958; 39.6 hours in August 1958; and over 40 hours by the end of March.³ The average

¹ Illinois State Employment Service, Chicago-Calumet Area Labor Market Trends, XIV, No. 1, January 1959, p.6.

² Economic Statistics Bureau of Washington, D. C., The Handbook of Basic Economic Statistics, XIV, No. 1, January 15, 1960, pp.170-185.

³ Data for Chicago-Calumet area taken from the Chicago-Calumet Area Labor Market Trends, Volumes of the Illinois

length of the manufacturing work week leveled off during April-May of 1958 and recovered about seventy-five per cent of the recession loss by March 1959.

Other Indicators of Economic Activity. Production in the Chicago area's steel industry is a key factor in the local economy and a valuable business indicator. The lowest level in steel production was reached in April 1958 (see Table III and Figure 2-A). However, by December of the same year, average steel production reached 1,793,200 net tons and actually surpassed production levels of April 1957. Consumption of industrial gas declined gradually till August 1958 and then afterward recovered even more quickly than steel production. Department store sales are highly sensitive to seasonal fluctuations. The recession's lowest point was reached in February 1958.

The Consumer's Price Index continued to rise through all the recession period. In August 1958 there was a decline by 0.7 points from the level of the previous month, but the total rise between April 1957 and March 1959 was 5.2 points. The number of families on relief rolls in Cook County increased steadily with minor fluctuations from 23,393 in April 1957 to

State Employment Service, XII through XIV, May 1957-May 1959 unless other reference is made.

38,283 in March 1959. Probably quite a few exhaustees of unemployment insurance benefits lined up within the ranks of relief rolls.

The number of persons in claim status within the Unemployment Insurance Programs continued at a high level from April through August of 1958. Decrease in insured unemployment in March of 1959 was still negligible.

Industrial production indexes at the national level show the following variations: total industrial production index for the three month period ended March 1957 was 145; for March 1958--128; for March 1959--147. Total manufacture of durables for the same quarters was 163, 135, and 160, manufacture of undurables 131, 124, and 140 correspondingly.

TABLE I

SUMMARY OF SELECTED STATE UNEMPLOYMENT INSURANCE
ACTIVITIES UNDER REGULAR PROGRAM IN CHICAGO AREA
FOR WEEK ENDING NEAREST THE 15TH OF THE MONTH

Week Ended	Total	<u>Initial Claims</u>		Insured Unemployment
		New	Addi- tional	
1957				
April 13	5,691	3,596	2,095	36,128
May 18	5,844	4,322	1,522	38,578
June 15	4,500	3,107	1,393	42,461
July 13	5,119	3,361	1,758	39,542
Aug. 17	4,167	2,762	1,405	33,894
Sept. 14	4,238	2,718	1,520	31,244
Oct. 12	4,721	3,125	1,596	27,960
Nov. 16	6,613	4,516	2,097	34,420
Dec. 14	9,910	6,763	3,147	44,950
1958				
Jan. 18	12,845	9,967	2,878	69,397
Feb. 15	10,542	7,664	2,878	84,963
Mar. 15	11,758	8,627	3,131	96,691
April 12	11,023	7,732	3,291	103,522
May 17	9,836	6,792	3,044	103,909
June 14	8,945	5,946	2,999	99,277

Source: Illinois Department of Labor, Weekly Reports on
UI Activities.

TABLE II

SUMMARY OF SELECTED STATE UNEMPLOYMENT INSURANCE ACTIVITIES
UNDER REGULAR AND TEMPORARY PROGRAMS IN CHICAGO AREA
FOR WEEK ENDING NEAREST THE 15TH OF THE MONTH

Week Ended	Total	<u>Initial Claims</u>		Insured Unemployment
		New	Additional & Conversion ¹	
1958				
July 5 ²				
Regular	9,758	5,888	3,870	90,022
TEB	11,494	11,490	0	
Conversion.			4	
Total	21,248	17,378	3,870	90,022
July 12				
Regular	8,543	5,060	3,483	84,267
TEB	5,046	4,357		7,589
Conversion.			689	
Total	12,900	9,417	3,483	91,856
Aug. 16				
Regular	7,183	4,304	2,879	84,765
TEB	2,995	1,256	90	20,633
Conversion.			1,649	
Total	8,529	5,560	2,969	105,398
Sept. 13				
Regular	6,792	3,778	3,014	71,543
TEB	2,887	751	62	23,156
Conversion.			2,074	
Total	7,605	4,529	3,076	94,699
Oct. 18				
Regular	6,062	3,314	2,748	59,008
TEB	1,595	376	71	18,229
Conversion.			1,148	
Total	6,509	3,690	2,819	77,237

TABLE II (continued)

SUMMARY OF SELECTED STATE UNEMPLOYMENT INSURANCE ACTIVITIES
 UNDER REGULAR AND TEMPORARY PROGRAMS IN CHICAGO AREA
 FOR WEEK ENDING NEAREST THE 15TH OF THE MONTH

Week Ended	Total	Initial Claims		Insured Unemployment
		New	Addition- al & Con- version ¹	
1958				
Nov. 15				
Regular	7,305	4,049	3,256	56,531
TEB	1,733	285	160	18,500
Conversion			1,288	
Total	7,750	4,334	3,416	75,031
Dec. 13				
Regular	9,886	5,628	4,258	62,218
TEB	1,617	270	127	16,158
Conversion			1,220	
Total	10,283	5,898	4,385	78,376
1959				
Jan. 17				
Regular	11,627	8,141	3,486	77,192
TEB	1,836	196	110	14,615
Conversion			1,530	
Total	11,933	8,337	3,596	91,807
Feb. 14				
Regular	7,004	4,679	2,325	74,092
TEB	1,127	168	56	14,092
Conversion			903	
Total	7,228	4,847	2,381	88,516
Mar. 14				
Regular	6,599	4,272	2,327	67,804
TEB	1,368	159	85	13,166
Conversion			1,124	
Total	6,843	4,431	2,412	80,970

TABLE II (continued)

SUMMARY OF SELECTED STATE UNEMPLOYMENT INSURANCE ACTIVITIES
UNDER REGULAR AND TEMPORARY PROGRAMS IN CHICAGO AREA
FOR WEEK ENDING NEAREST THE 15TH OF THE MONTH

Source: Illinois Department of Labor, Weekly Reports on
UI Activities.

1

Initial claims conversion represents claimants who have exhausted their benefit rights under the regular program due to the end of the benefit year. Persons under this program are initial claimants within the definition of TEB but not so within the regular program. The data is not included in the total of initial claims under the UI regular and TEB programs.

²Data given for the week ending July 5 to indicate the initial activity of the TEB program effective as of July 1, 1958.

TABLE III
SELECTED BUSINESS INDICATORS FOR CHICAGO
LOCAL AND/OR METROPOLITAN AREA

Indicators	1957			1958		
	April	Nov.	Dec.	Jan.	Feb.	Mar.
Monthly Index of Chicago Department Store Trade (Seasonally adjusted)(1947-49=100)	113	141	146	93	88	107
Steel production, Metropolitan Chicago Area (000,000 net tons)	1.74	1.54	1.52	1.29	1.11	1.16
Industrial gas consumed, Chicago (000,000 therms)	16.41	14.73	16.04	15.76	15.53	15.11
Consumer's Price Index (1947-49 = 100), Chicago (monthly average, all items)	122.0	125.6	125.6	126.1	126.2	126.8
Families on relief rolls, Cook County (000)	23.4	36.4	44.9	49.4	27.6	28.7
Persons in Claim Status, UI, Cook - DuPage Counties (000)	41.8	41.3	54.8	82.2	95.5	108.4

TABLE III (continued)

SELECTED BUSINESS INDICATORS FOR CHICAGO
LOCAL AND/OR METROPOLITAN AREA

Indicators	1958				1959	
	April	May	June	July	Aug.	Mar.
Monthly Index of Chicago Department Store Trade (seasonally adjusted) (1947-49=100)	105	121	112	97	111	121
Steel Production, Metropolitan Chicago Area (000,000 net tons)	1.09	1.21	1.38	1.29	1.48	2.16
Industrial Gas Consumed, Chicago (000,000 Therms)	13.69	13.34	13.46	12.07	11.93	19.65
Consumer's Price Index (1947-49 = 100), Chicago (monthly average, all items)	127.0	127.0	127.5	127.6	126.9	127.2
Families on Relief Rolls, Cook County (000)	28.0	27.8	27.6	27.5	26.3	38.3
Persons in Claim Status, UI, Cook - DuPage Counties (000)	114.5	113.7	108.3	104.7	113.9	87.8

Sources: 1. Chicago Association of Commerce and Industry, Commerce, June 1957 through June 1959, p.4, "Statistics of Chicago Business".

2. "Persons in claim status" data taken from Tables I and II.

CHAPTER III

AGE CHARACTERISTICS OF THE INSURED UNEMPLOYED

Turns in the business cycle affect not only volume and rates of insured unemployment but influence also age composition within the jobless pool. Tabulations of unemployment compensation beneficiaries and exhaustees by age groups indicate a difference in proportions during the economic down-swing and recovery (see Tables IV and V).

Within the age group under twenty-five years, there are great numbers of uninsured new entrants into the labor force. Many of the employed of this group do not meet base period wage requirements and are disqualified for unemployment insurance benefits.

The down-swing between April 1957 and April 1958 included improvement in employment during the summer months and the total beneficiaries dropped to 30,470 for the month of September. The percentage of beneficiaries within the age groups under forty-five years decreased to 56.7 per cent and over forty-five years increased to 43.3 per cent (see Figures 3 and 4). Even such a short duration improvement in the labor market

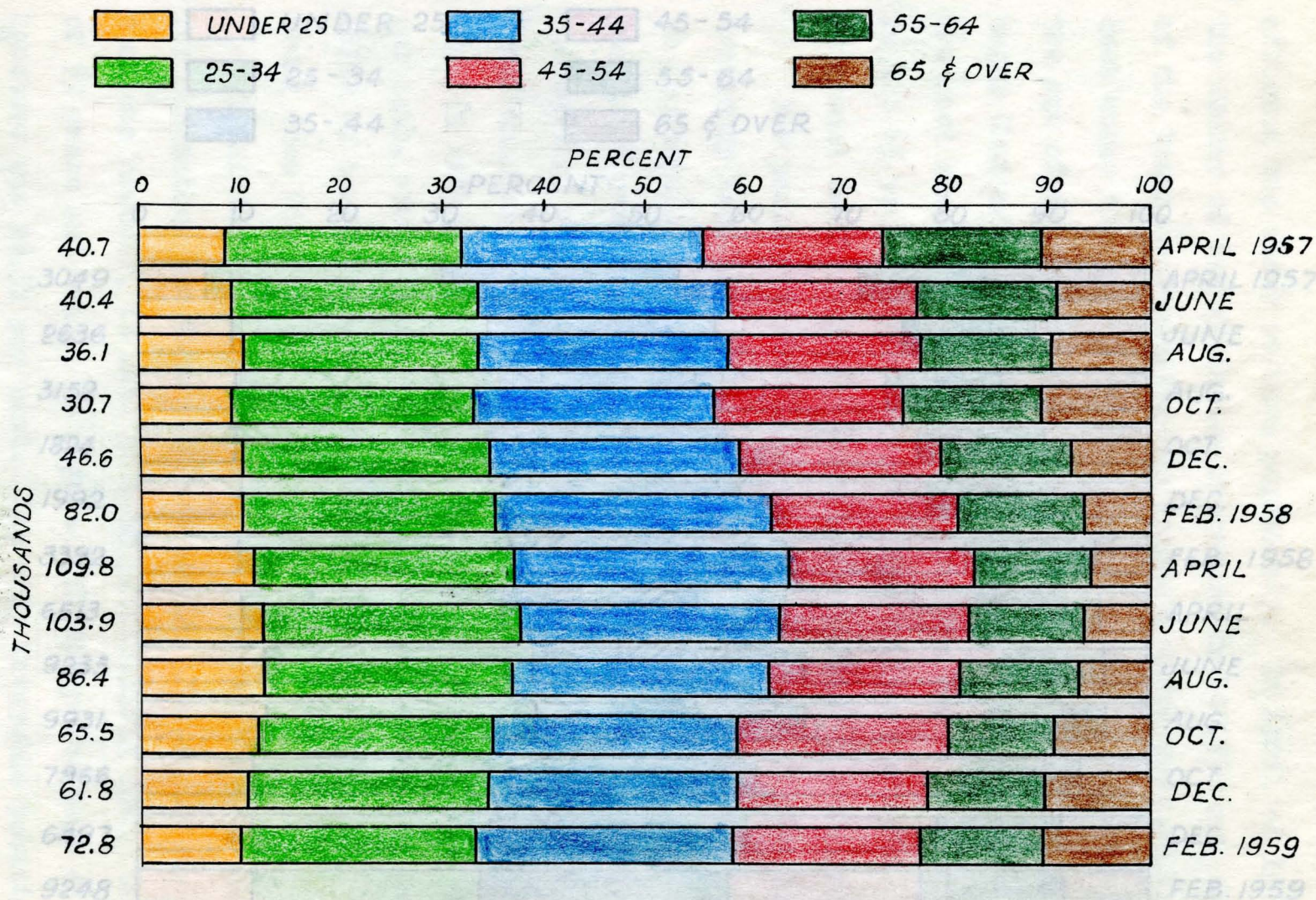


FIGURE 3
BENEFICIARIES OF THE REGULAR PROGRAM BY AGE GROUPS

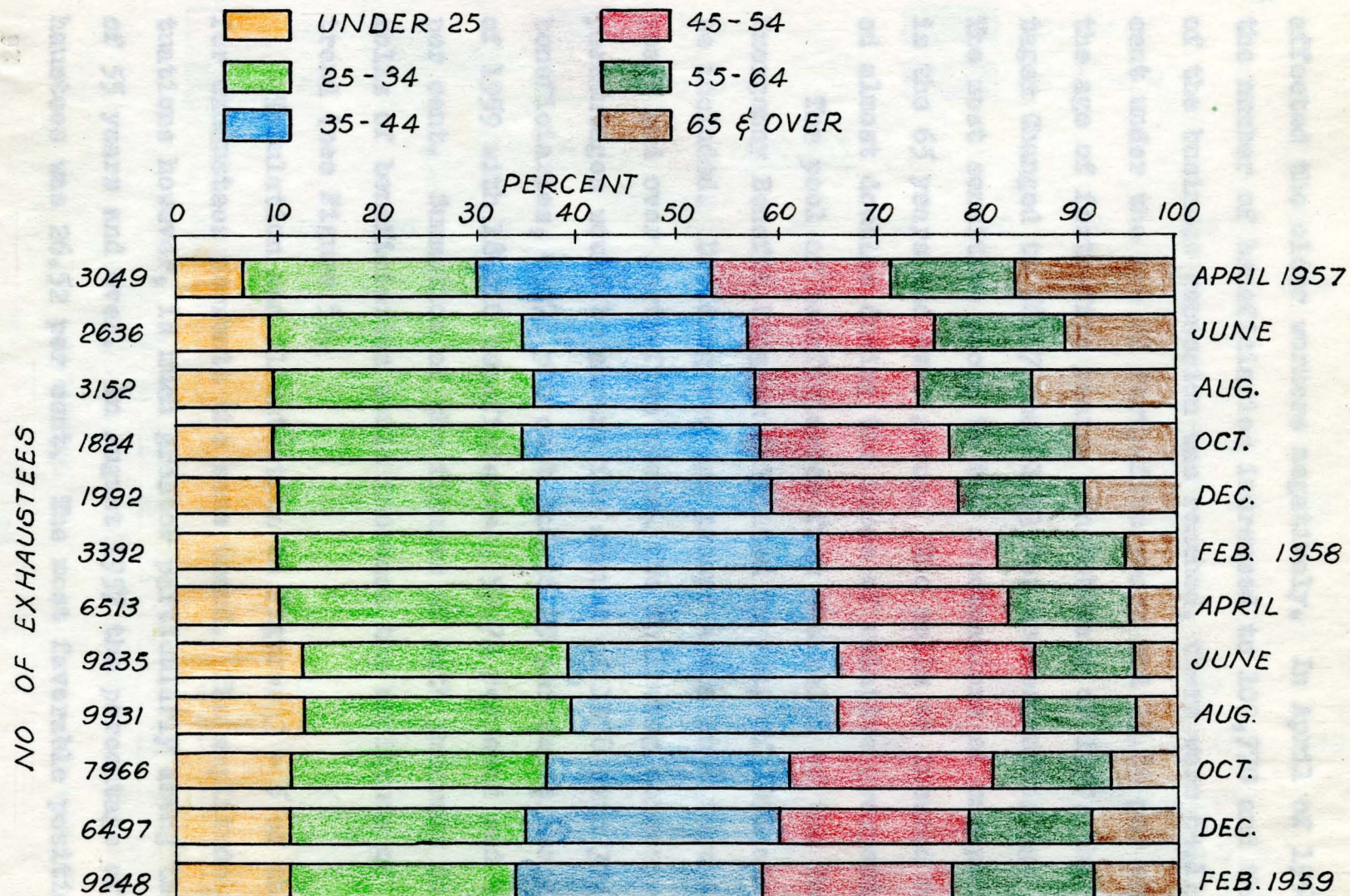
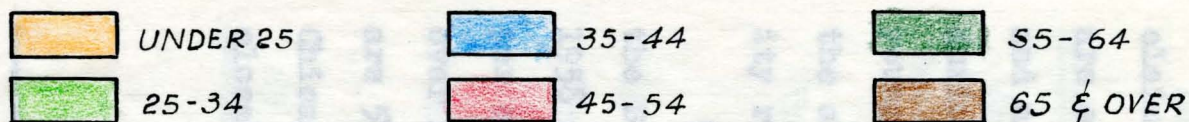


FIGURE 4
EXHAUSTEES OF THE REGULAR PROGRAM BY AGE GROUPS

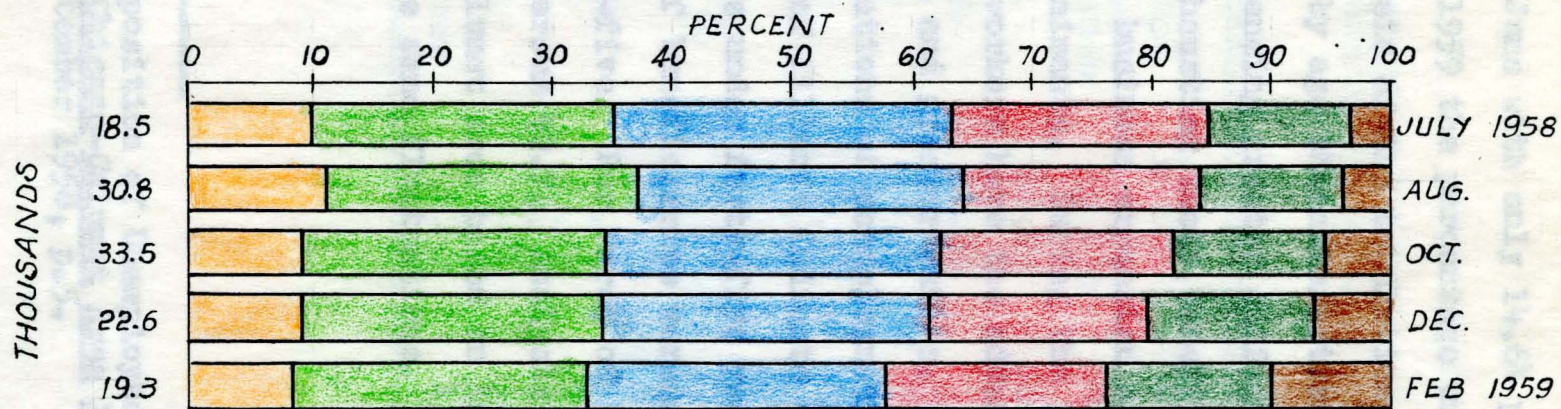
affected the older workers negatively. In April of 1958 when the number of beneficiaries increased to 109,770 and the depth of the business recession was reached, there were 64.11 per cent under the age of forty-five years and 35.89 per cent over the age of forty-five years. In February of 1959, the percentages changed to 58.57 and 41.43 for corresponding age groups. The most sensitive group to the fluctuations of unemployment is the 65 years and over group. The rolls of insured unemployed almost doubles during the times of relative prosperity.

The pool of beneficiaries from the rolls of the Temporary Emergency Benefit Program initiated in July of 1958 also must be included. Dividing the age groups again into forty-five years and over forty-five years, the following corresponding percentages would be shown: for August of 1958 with 30,830 beneficiaries, 63.71 per cent and 36.29 per cent; for February of 1959 with 18,010 beneficiaries, 57.72 per cent and 42.28 per cent. Summation of the figures of both programs for the rolls of beneficiaries would increase the amplitude of the trend (see Figure 5).

Tabulation and illustration in Figures 3 - 5 of the data for exhaustees presents the same trend. The amplitude of fluctuations however, is much greater particularly among the groups of 55 years and over. In August 1957 the percentage of exhaustees was 26.52 per cent. The most favorable position was



BENEFICIARIES



NO OF EXHAUSTEES

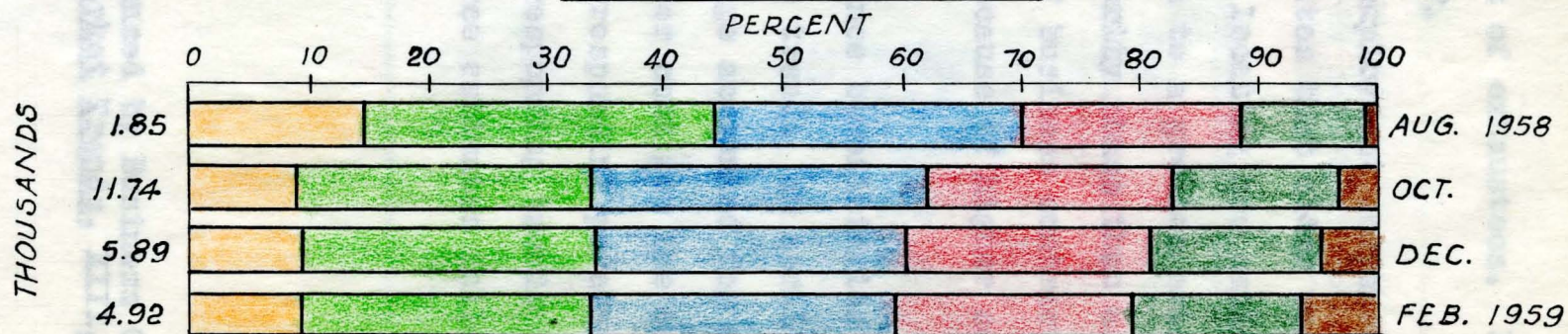


FIGURE 5

BENEFICIARIES AND EXHAUSTEES OF THE TEB PROGRAM BY AGE GROUPS

gained in June with only 14.64 per cent of exhaustees. In February, 1959 the percentage was 22.17.

Analysis of the tabulations of unemployment compensation claimants by age characteristics indicates that older workers are experiencing greater difficulty in locating new employment and are exhausting their benefit rights to a greater extent during the business expansion or prosperity phase than are younger claimants. During the phase of business contraction, the older workers have the advantage because of higher seniority rights and greater skills.

Tabulations of unemployment insurance beneficiaries for the State of Illinois indicate the same trend. In April of 1958 groups under forty-five years of age accounted for 64.6 per cent of beneficiaries versus 35.4 per cent for the ones over forty-five. For March of 1959 corresponding percentages are 57.3 versus 42.7. Analysis of corresponding trends in the Chicago-Calumet area based on labor force estimates follow¹ closely the same fluctuations.

1

"Composition of Unemployed Influenced by Business Conditions", Chicago-Calumet Area Labor Market Trends, XIII, No. 5, September 1958, p.5.

TABLE IV

PERCENTAGES OF BENEFICIARIES AND EXHAUSTEES IN VARIOUS
AGE GROUPS OF THE REGULAR UNEMPLOYMENT INSURANCE PROGRAM
IN COOK AND DUPAGE COUNTIES

Age Groups	1957			
	April	June	August	October
Beneficiaries	40,710	40,430	36,070	30,700
Total	100.00	100.00	100.00	100.00
Under 24	8.38	8.96	9.90	9.09
25-34	23.41	24.51	23.95	23.26
35-44	24.12	24.61	24.18	24.33
45-54	17.83	18.33	18.57	18.50
55-64	15.70	14.27	13.56	14.53
65 and over	10.56	9.32	9.84	10.29
Exhaustees	3,049	2,636	3,152	1,824
Total	100.00	100.00	100.00	100.00
Under 24	6.82	9.33	9.90	9.87
25-34	23.09	24.47	25.95	24.45
35-44	23.45	22.91	21.42	24.18
45-54	17.81	18.63	16.21	18.47
55-64	13.41	13.58	11.93	12.72
65 and over	15.42	11.08	14.59	10.31

TABLE IV (continued)

PERCENTAGES OF BENEFICIARIES AND EXHAUSTEES IN VARIOUS
AGE GROUPS OF THE REGULAR UNEMPLOYMENT INSURANCE PROGRAM
IN COOK AND DUPAGE COUNTIES

Age Groups	1957		1958	
	December	February	April	June
Beneficiaries	46,640	82,050	109,770	103,910
Total	100.00	100.00	100.00	100.00
Under 24	9.95	10.20	11.41	11.95
25-34	23.95	25.18	25.93	25.58
35-44	25.39	26.80	26.77	25.48
45-54	19.12	18.79	18.24	18.93
55-64	14.02	12.56	11.83	11.81
65 and over	7.57	6.47	5.82	6.25
Exhaustees	1,999	3,397	6,513	9,235
Total	100.00	100.00	100.00	100.00
Under 24	10.10	9.98	10.39	12.53
25-34	26.31	26.94	25.88	27.17
35-44	22.81	27.01	27.56	26.26
45-54	18.01	18.04	18.98	19.40
55-64	13.26	11.72	12.08	10.51
65 and over	9.51	6.30	5.11	4.13

TABLE IV (continued)

PERCENTAGES OF BENEFICIARIES AND EXHAUSTERS IN VARIOUS
AGE GROUPS OF THE REGULAR UNEMPLOYMENT INSURANCE PROGRAM
IN COOK AND DUPAGE COUNTIES

Age Groups	1958			
	August	October	December	February
Beneficiaries	86,440	65,540	61,810	72,770
Total	100.00	100.00	100.00	100.00
Under 24	12.29	11.58	10.69	10.12
25-34	24.93	23.45	24.10	23.65
35-44	25.20	23.89	24.30	24.80
45-54	18.64	18.92	18.07	18.62
55-64	11.85	12.42	12.44	13.30
65 and over	7.09	9.74	10.40	9.51
Exhaustees	9,931	7,966	6,497	9,248
Total	100.00	100.00	100.00	100.00
Under 24	12.75	11.34	11.36	11.23
25-34	27.08	25.60	23.83	23.05
35-44	25.85	24.70	25.07	24.04
45-54	18.67	18.49	18.35	19.51
55-64	11.25	13.19	12.37	13.99
65 and over	4.40	6.68	9.02	8.18

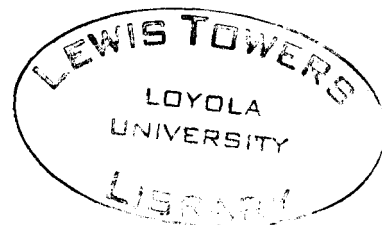
Source: Illinois Department of Labor, work sheets.

TABLE V

PERCENTAGES OF BENEFICIARIES AND EXHAUSTEDS IN VARIOUS
AGE GROUPS OF THE TEMPORARY EMERGENCY BENEFIT PROGRAM
IN COOK AND DUPAGE COUNTIES

Age Groups	1958			1959	
	July	August	October	December	February
Beneficiaries	18,540	30,830	33,510	22,630	19,300
Total	100.00	100.00	100.00	100.00	100.00
Under 24	9.98	10.96	9.60	9.59	8.39
25-34	25.24	26.31	25.28	24.79	23.94
35-44	27.94	26.44	26.56	26.34	25.39
45-54	21.47	20.27	19.70	19.13	18.29
55-64	11.70	12.29	13.46	13.65	13.89
65 and over	3.67	3.73	5.40	6.50	10.10
Exhaustees		1,853	11,749	5,891	4,918
Total		100.00	100.00	100.00	100.00
Under 24		14.03	9.02	9.57	9.23
25-34		30.00	24.80	24.55	23.98
35-44		25.80	27.30	26.02	26.55
45-54		18.35	21.38	20.59	19.68
55-64		10.85	14.33	14.41	14.07
65 and over		.97	3.17	4.86	6.49

Source: Illinois Department of Labor, work sheets.



CHAPTER IV

INDUSTRY ATTACHMENT AND UNEMPLOYMENT

Not only certain age groups show differences in vulnerability to unemployment, but also certain industries. During the 1957-58 recession, workers attached to manufacturing and particularly to durable goods producing establishments suffered the most severe and longer duration unemployment.¹ Within the Chicago area, there is more than an average concentration of consumers' and producers' durable goods production. Decreasing demand for durable goods "began to make itself felt in the Chicago area in the form of production curtailments in steel, home appliances, machinery, and other hard goods."² The timing of the lowest point in economic activity does not coincide with the one for the country. The severeness of economic decline in the Chicago area was felt a little later. The downward trend in unemployment started not in April, but

¹ Federal Reserve Bank of Chicago, Business Conditions, April 1958, pp. 8-9.

² Chicago Association of Industry and Commerce, Commerce, Jan. 1959, "Employment Had Its Bright Spots During the Year," p. 78.

in August of 1958. Labor disputes and cold weather slowed down the improvement even later.

The entrenchment of unemployment within the durable goods sector could be visualized by relating the same to non-manufacturing and nondurables. The total of beneficiaries in the durable goods sector rose from 13,090 in April 1957 to 51,210 in April 1958. The totals of beneficiaries in the non-manufacturing sector for corresponding dates are 17,550 and 37,690, and in nondurables sector 10,070 and 20,870. Taking again, the numbers of beneficiaries for the month of October 1958 with the considerable decline in unemployment, we will have 40,540 in durables, 19,820 in nondurables and 38,690 in non-manufacturing. The recovery phase reversed the comparative trend between the durable sector and the sectors of nondurables and non-manufacturing.

Tabulations of beneficiaries and exhaustees in terms of percentages by industry indicates more clearly the persistence and long duration of unemployment among the workers attached to the durable goods manufacturing sector (see Tables VI and VII). The beneficiary percentage was 32.15 for durables and 43.11 for non-manufacturing in April 1957 (see Figure 6). Corresponding percentages for April 1958 are 46.65 and 37.69. Durables percentage increased while the non-manufacturing

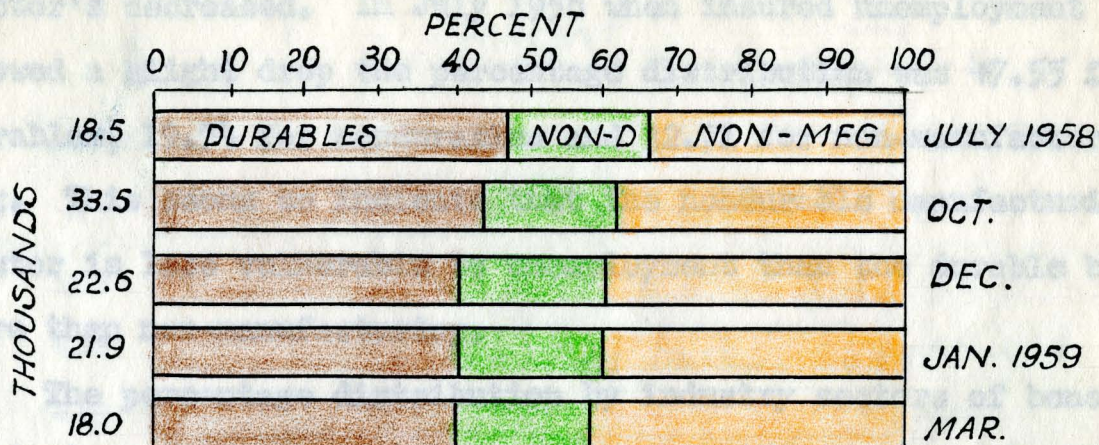
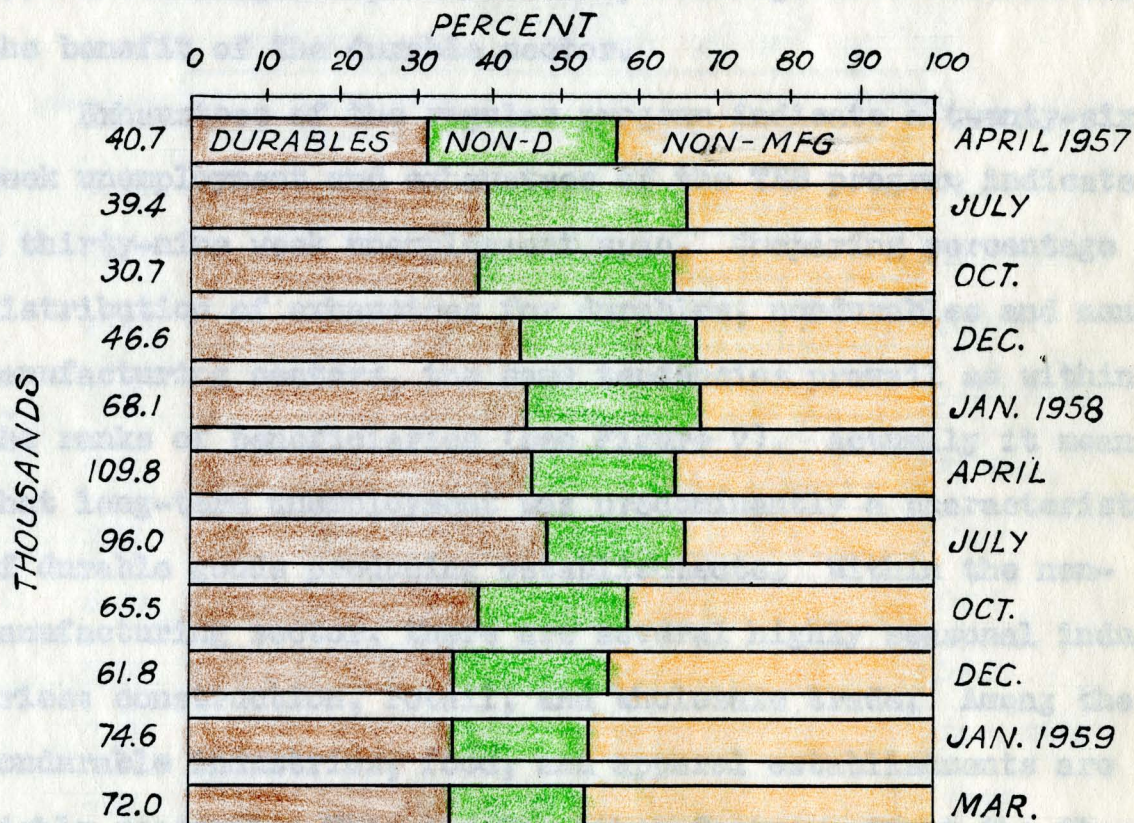
TEB PROGRAMREGULAR PROGRAM

FIGURE 6
PERCENTAGES BY INDUSTRY ATTACHMENT OF
BENEFICIARIES

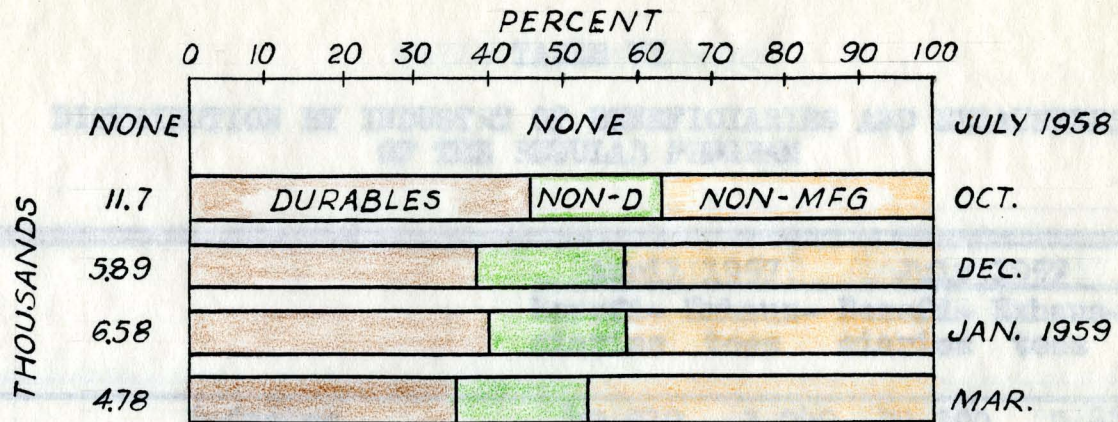
sector's decreased. In July 1958 when insured unemployment showed a slight drop the percentage distribution was 47.55 for durables, 19.74 for nondurables and 32.71 for non-manufacturing. This seems to indicate that the nondurable manufacturing sector is less vulnerable to unemployment than the durable but more than non-manufacturing.

The percentage distribution by industry sectors of beneficiaries of the Temporary Emergency Benefit Program follows closely the trend shown for the regular program. The fall of 1958 shows slight improvement in percentage distribution for the benefit of the durable sector.

Exhaustees of the regular program indicate a twenty-six week unemployment and exhaustees of the TEB program indicate a thirty-nine week unemployment span. Comparing percentage distribution of exhaustees for durables, nondurables and non-manufacturing sectors, the same tendencies prevail as within the ranks of beneficiaries (see Figure 7). Actually it means that long-term unemployment was predominantly a characteristic of durable goods producing establishments. Within the non-manufacturing sector, there are several highly seasonal industries: construction, retail, and wholesale trade. Among the nondurable industries, food, and apparel establishments are highly seasonal. This and few other factors affect the fluctuations on the percentage scale.

TEB PROGRAM

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REGULAR PROGRAM

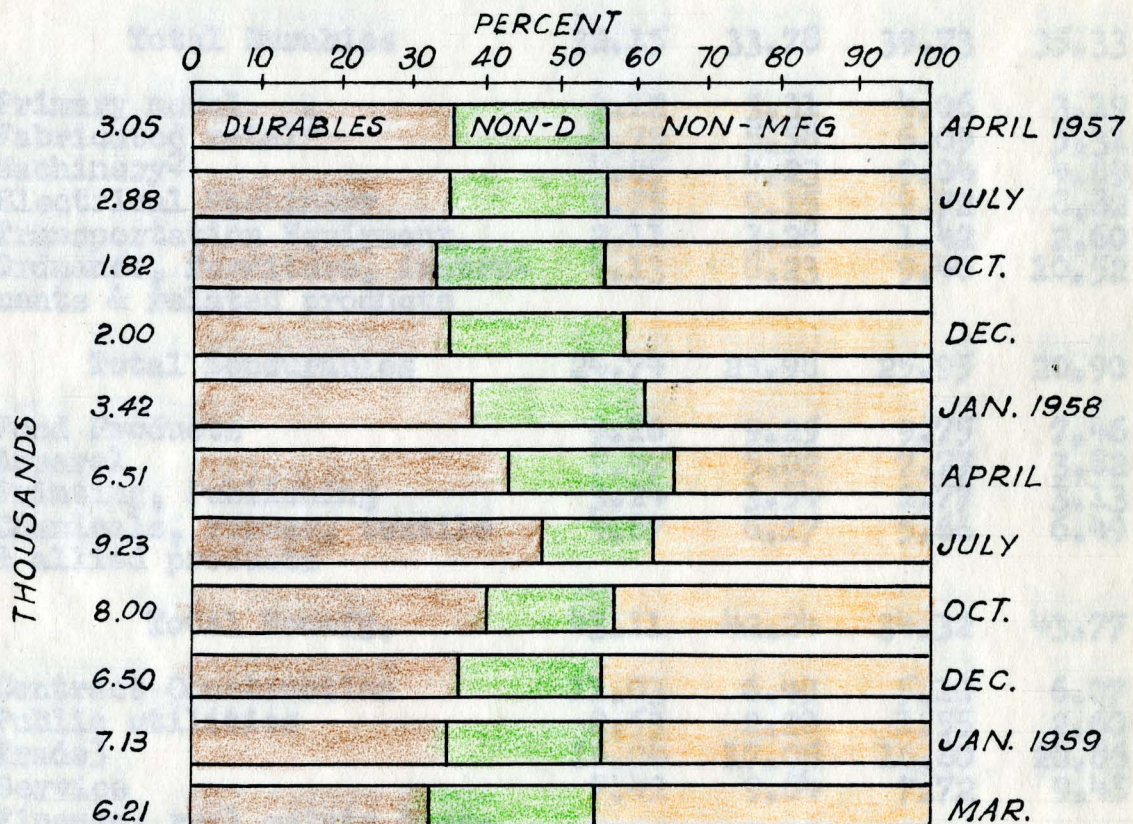


FIGURE 7
PERCENTAGES BY INDUSTRY ATTACHMENT
OF EXHAUSTEES

TABLE VI

DISTRIBUTION BY INDUSTRY OF BENEFICIARIES AND EXHAUSTEES
OF THE REGULAR PROGRAM

Industry	April 1957		July 1957	
	Benefi- ciaries	Exhaus- tees	Benefi- ciaries	Exhaus- tees
Industry	40,710	3,049	39,390	2,881
Grand Total	100.00	100.00	100.00	100.00
Total Mfg.	56.89	57.76	65.68	56.23
Total Durables	32.15	33.78	39.73	35.33
Primary metal	3.12	3.31	4.06	3.19
Fabricated metal ¹	4.79	5.58	6.09	5.31
Machinery ²	4.25	4.23	9.04	4.89
Electrical Machinery	9.75	9.15	9.72	8.82
Transportation Equipment	2.11	3.28	1.42	2.60
Ordinance, furniture, instru- ments & related products	8.13	8.23	9.40	10.52
Total Nondurables	24.74	23.98	25.95	20.90
Food Products	9.16	9.25	9.75	7.46
Apparel	7.47	5.02	7.77	3.82
Printing, Publishing	3.24	3.54	2.77	3.13
Chemicals, rubber, textile & allied products	4.87	6.17	5.66	6.49
Total Nonmfg.	43.11	42.24	34.32	43.77
Contract Construction	11.03	6.49	5.10	6.07
Public utilities	2.53	2.20	1.55	2.60
Trade ³	16.04	17.05	16.80	20.86
Service	7.42	9.64	7.72	9.48
Finance, real estate & es- tablishments not elsewhere classified	6.09	6.86	3.15	4.76

TABLE VI(continued)

DISTRIBUTION BY INDUSTRY OF BENEFICIARIES AND EXHAUSTIBLES
OF THE REGULAR PROGRAM

Industry	October 1957		December 1957	
	Benefi- ciaries	Exhaus- tees	Benefi- ciaries	Exhaus- tees
Industry	30,700	1,824	46,640	1,999
Grand Total	100.00	100.00	100.00	100.00
Total Mfg.	64.07	57.70	68.50	58.78
Total Durables	38.30	32.73	44.38	34.72
Primary metal	4.92	3.07	6.03	3.10
Fabricated metal ¹	5.96	4.99	6.09	5.75
Machinery ²	10.06	5.04	7.74	5.70
Electrical Machinery	7.62	8.55	8.68	9.46
Transportation Equipment	2.61	1.70	4.48	1.75
Ordinance, furniture, instru- ments & related products	7.13	9.38	11.36	8.96
Total Nondurables	25.77	22.97	24.12	24.06
Food Products	9.68	9.87	9.00	9.91
Apparel	7.10	5.65	6.35	4.80
Printing, Publishing	2.87	2.74	3.39	3.25
Chemicals, rubber, textile & allied products	6.12	4.71	5.38	6.10
Total Nonmfg.	35.93	44.30	31.50	41.22
Contract Construction	4.82	3.95	8.92	5.70
Public Utilities	1.79	2.36	1.76	2.35
Trade ³	16.55	19.24	13.55	20.76
Service	8.14	13.10	6.76	10.96
Finance, real estate & es- tablishments not elsewhere classified	4.63	5.65	.52	1.45

TABLE VI (continued)

DISTRIBUTION BY INDUSTRY OF BENEFICIARIES AND EXHAUSTERS
OF THE REGULAR PROGRAM

Industry	January 1958		April 1958	
	Benefi- ciaries	Exhaus- tees	Benefi- ciaries	Exhaus- tees
Industry	68,150	3,421	109,770	6,513
Grand Total	100.00	100.00	100.00	100.00
Total Mfg.	65.60	61.94	65.66	65.30
Total Durables	45.40	38.12	46.65	43.53
Primary metal	7.09	3.62	7.83	6.59
Fabricated metal ¹	5.78	6.52	6.90	6.13
Machinery ²	7.15	5.35	7.08	6.28
Electrical Machinery	11.96	10.32	11.72	12.24
Transportation equipment	4.46	1.64	5.74	3.79
Ordinance, furniture, instru- ments & related products	8.96	10.67	7.38	8.50
Total Nondurables	20.28	23.82	19.01	21.77
Food Products	7.48	10.81	6.63	8.67
Apparel	4.14	4.12	4.54	3.64
Printing, Publishing	3.35	3.13	2.66	3.18
Chemicals, rubber, textile & allied products	5.31	5.76	5.18	6.28
Total Nonmfg.	34.32	38.06	34.34	34.70
Contract Construction	11.34	4.91	9.40	5.57
Public Utilities	2.45	1.87	2.85	2.43
Trade ³	12.44	17.25	13.59	16.23
Service	4.99	8.80	5.63	6.91
Finance, real estate & es- tablishments not elsewhere classified	3.10	5.23	2.87	3.56

TABLE VI (continued)

DISTRIBUTION BY INDUSTRY OF BENEFICIARIES AND EXHAUSTEES
OF THE REGULAR PROGRAM

Industry	July 1958		October 1958	
	Benefi- ciaries	Exhaus- tees	Benefi- ciaries	Exhaus- tees
Industry	96,030	9,229	65,540	7,966
Grand Total	100.00	100.00	100.00	100.00
Total Mfg.	67.29	64.01	59.93	57.22
Total Durables	47.55	48.60	39.33	39.84
Primary metal	7.68	11.77	3.45	4.44
Fabricated metal ¹	7.08	5.93	5.35	5.60
Machinery ²	8.71	6.48	8.60	8.10
Electrical Machinery	12.10	10.22	8.32	7.44
Transportation equipment	5.75	5.75	6.44	6.18
Ordinance, furniture, instru- ments & related products	6.23	8.45	7.17	8.08
Total Nondurables	19.74	15.41	20.60	17.38
Food Products	6.95	5.43	7.64	6.60
Apparel	5.12	2.12	4.23	2.27
Printing, Publishing	2.62	2.48	3.91	3.29
Chemicals, rubber, textile & allied products	5.05	5.38	4.82	5.22
Total Nonmfg.	32.71	35.99	40.07	42.76
Contract Construction	3.45	5.15	5.46	5.41
Public Utilities	2.72	2.75	2.99	2.72
Trade ³	15.66	16.66	18.25	19.97
Service	6.63	6.90	8.53	8.70
Finance, real estate & es- tablishments not elsewhere classified	4.25	4.53	4.84	5.98

TABLE VI (continued)

DISTRIBUTION BY INDUSTRY OF BENEFICIARIES AND EXHAUSTERS
OF THE REGULAR PROGRAM

Industry	December 1958		January 1959	
	Benefi- ciaries	Exhaus- tees	Benefi- ciaries	Exhaus- tees
Industry	61,810	6,497	74,560	7,130
Grand Total	100.00	100.00	100.00	100.00
Total Mfg.	55.58	55.28	53.67	55.49
Total Durables	35.23	37.18	34.42	36.32
Primary Metal	3.24	3.89	2.82	2.58
Fabricated Metal ¹	5.34	5.19	5.07	4.75
Machinery ²	6.99	7.90	6.44	8.23
Electrical Machinery	6.91	8.08	7.36	8.60
Transportation equipment	5.97	4.05	5.69	4.39
Ordinance, furniture, instru- ments & related products	6.78	8.07	7.04	7.77
Total Nondurables	20.35	18.10	19.25	19.17
Food Products	6.86	7.54	6.67	8.13
Apparel	4.04	2.45	3.41	2.68
Printing, Publishing	4.37	3.60	3.86	3.56
Chemicals, rubber, textile & allied products	5.08	4.51	5.31	4.80
Total Nonmfg.	44.44	44.72	46.34	44.50
Contract Construction	12.04	6.11	16.43	7.08
Public Utilities	2.77	3.12	2.64	2.96
Trade ³	16.83	20.07	15.69	18.16
Service	8.20	9.57	7.38	9.54
Finance, real estate & es- tablishments not elsewhere classified	4.53	5.85	4.20	6.77

TABLE VI (continued)
 DISTRIBUTION BY INDUSTRY OF BENEFICIARIES AND EXHAUSTEES
 OF THE REGULAR PROGRAM

	March 1959	
	Benefi- ciaries	Exhaus- tees
Industry	72,050	6,211
Grand Total	100.00	100.00
Total Mfg.	50.01	54.12
Total Durables	30.02	33.30
Primary Metal	2.00	2.38
Fabricated Metal ¹	5.12	5.01
Machinery ²	4.30	5.35
Electrical machinery	7.08	7.97
Transportation equipment	4.72	5.83
Ordinance, furniture, instru- ments & related products	6.80	6.76
Total Nondurables	19.99	20.82
Food Products	6.94	9.84
Apparel	3.57	2.56
Printing, Publishing	4.68	3.49
Chemicals, rubber, textile & allied products	4.80	4.93
Total Nonmfg.	50.00	45.89
Contract Construction	17.77	7.07
Public Utilities	2.90	2.58
Trade ³	17.34	19.95

TABLE VI (continued)

DISTRIBUTION BY INDUSTRY OF BENEFICIARIES AND EXHAUSTEES
OF THE REGULAR PROGRAM

	March 1959	
	Benefi- ciaries	Exhaus- tees
Service	7.74	10.01
Finance, real estate & es- tablishments not elsewhere classified	4.24	6.17

Source: Illinois Department of Labor, work sheets.

-
- 1
Except ordnance, machinery and transportation equipment.
- 2
Except electrical machinery.
- 3
Wholesale and retail trade.

TABLE VII

DISTRIBUTION BY INDUSTRY OF BENEFICIARIES AND EXHAUSTEES
OF THE TEMPORARY PROGRAM

	July 1958		October 1958	
	Benefi- ciaries	Exhaus- tees	Benefi- ciaries	Exhaus- tees
Industry	18,540		33,510	11,749
Grand Total	100.00		100.00	100.00
Total Mfg.	66.02		62.90	64.64
Total Durables	48.06		44.04	46.29
Primary metal	9.87		7.85	9.26
Fabricated metal ¹	4.91		5.52	5.92
Machinery ²	7.44		7.31	6.36
Electrical machinery	11.87		9.37	10.15
Transportation equipment	6.36		6.80	6.82
Ordinance, furniture, instru- ments & related products	7.61		7.19	7.78
Total Nondurables	17.96		18.86	18.35
Food Products	7.71		8.65	7.84
Apparel	2.16		2.39	2.16
Printing, Publishing	2.59		2.42	2.49
Chemicals, rubber, textile & allied products	5.50		5.40	5.86
Total Nonmfg.	33.98		37.09	35.38
Contract construction	5.07		4.98	4.30
Public Utilities	2.48		2.72	2.33
Trade ³	15.91		17.07	17.24
Service	6.58		7.58	6.83
Finance, real estate & es- tablishments not elsewhere classified	3.94		4.75	4.66

TABLE VII (continued)

DISTRIBUTION BY INDUSTRY OF BENEFICIARIES AND EXHAUSTERS
OF THE TEMPORARY PROGRAM

Industry	December 1958		January 1959	
	Benefi- ciaries	Exhaus- tees	Benefi- ciaries	Exhaus- tees
Industry	22,630	5,891	21,950	6,582
Grand Total	100.00	100.00	100.00	100.00
Total Mfg.	60.32	58.06	59.73	59.17
Total Durables	40.92	38.40	41.18	40.95
Primary metal	3.89	4.41	3.42	3.72
Fabricated metal ¹	5.17	5.16	5.06	6.11
Machinery ²	7.56	7.25	7.79	6.99
Electrical machinery	9.32	9.32	9.70	9.77
Transportation equipment	6.41	4.50	6.42	5.96
Ordinance, furniture, instru- ments & related products	8.57	7.76	8.79	8.40
Total Nondurables	19.40	19.66	18.55	18.22
Food Products	9.06	8.23	8.52	7.63
Apparel	2.47	2.61	2.14	2.40
Printing, Publishing	3.23	2.73	3.33	3.31
Chemicals, rubber, textile & allied products	4.64	6.09	4.56	4.88
Total Nonmfg.	39.68	41.93	40.27	40.84
Contract Construction	4.95	5.26	5.65	5.14
Public Utilities	2.61	2.50	3.19	2.48
Trade ³	19.00	19.28	19.13	19.11
Service	8.26	8.95	7.11	7.96
Finance, real estate & es- tablishments not elsewhere classified	4.86	5.95	5.19	6.14

TABLE VII (continued)

DISTRIBUTION BY INDUSTRY OF BENEFICIARIES AND EXHAUSTEES
OF THE TEMPORARY PROGRAM

	March 1959	
	Benefi- ciaries	Exhaus- tees
Industry	18,010	4,776
Grand Total	100.00	100.00
Total Mfg.	58.52	55.13
Total Durables	40.03	36.66
Primary Metal	2.83	3.64
Fabricated Metal ¹	5.77	4.92
Machinery ²	8.83	7.01
Electrical machinery	8.33	9.36
Transportation equipment	5.22	3.35
Ordinance, furniture, instru- ments & related products	9.05	8.38
Total Nondurables	18.49	18.47
Food Products	7.27	7.79
Apparel	2.22	2.41
Printing, Publishing	3.50	3.52
Chemicals, rubber, textile & allied products	5.50	4.75
Total Nonmfg.	41.47	44.86
Contract Construction	4.83	5.17
Public Utilities	6.66	2.81
Trade ³	17.21	19.49

TABLE VII (continued)

DISTRIBUTION BY INDUSTRY OF BENEFICIARIES AND EXHAUSTEES
OF THE TEMPORARY PROGRAM

	March 1959	
	Benefi- ciaries	Exhaus- tees
Service	7.72	10.59
Finance, real estate & es- tablishments not elsewhere classified	5.06	6.81

-
- 1
Except ordnance, machinery and transportation equipment
- 2
Except electrical machinery.
- 3
Wholesale and retail trade.

CHAPTER V

SUMMARY AND CONCLUSION

The current operating data on the insured unemployed gathered by the Illinois Department of Labor is sufficient to relate certain variables within the local labor market and describe the results. More comprehensive evaluation of the techniques employed within the limits of this paper naturally follows the estimation of relationships.

In Chapter I was mentioned that the data has certain inherent limitations. Establishment of the TEB program at the lower ebb of the recession vividly illustrates the importance of the number of exhaustees excluded from the data. Continuously rising numbers of families on relief rolls in Cook county even after the effected TEB program adds another caution on the same. Analysis of the age group under 25 years of age gives a hint about the importance of new entrants into the labor force. However, we must keep in mind that all the figures for any other economic indicator have their own particular limitations. Closer cooperation between the Unemployment Compensation Division and the Illinois State Employment Service

within their operational procedures would eliminate a significant percentage of the inherent limitations of their data.

A few undisputable advantages of the operating data also must be mentioned. The data collected are by-products of administrative records and are comparatively inexpensive. In the future, probably a few more items from the personal information forms of unemployment insurance claimants will be entered on the IBM payorder cards. As a result, the future student of the labor market will be able to relate a few more characteristics of the insured unemployed and present more comprehensive studies of the Chicago local labor market. Another important advantage of the operational series is its weekly availability. It provides the most up-to-date information on current trends in unemployment. The third important advantage is its availability on the local labor market level without hindrance from the differences in state laws.

Analysis of the rates and activities of insured unemployment indicates a difficulty in setting limits for time series. In the case of this study, a twenty-four month period was chosen with the bottom of the recession more or less at the mid-point. The gradual down-turn and steep recovery in industrial production presents ample evidence in general trends of economic activity. The figures of the insured unemployed in claim status show just the opposite: steep down-turn and grad-

ual recovery. By the end of March 1959, only 37 per cent of the recession losses were recovered in employment. The gradual cut in the unemployment rate was much slower than economic expansion. More comprehensive analysis of unemployment insurance rates and characteristics of the unemployed would necessitate a time span between two peaks of economic activity, not just twenty-four months. Also such factors as productivity, automation, migration and others must be weighted and correlated for more sufficient results.

The item least affected by the economic down-turn was the Consumer's Price Index. The only visible drop was an 0.7 per cent monthly drop in August 1958. The Consumer's Price Index went up by 5.2 per cent in the Chicago area within the two year period.

The generally described and proved tendency about older workers having difficulty in finding employment during the recovery phase was illustrated and proves to be extensive at the local labor market level. Workers over 45 years and particularly over 55 are more vulnerable to unemployment as shown by the analysis of beneficiaries and exhaustees by age groups.

There is a popular description of the 1957-58 recession as a "durable goods recession." The Chicago area was no exception in this respect, particularly with the concentration of durable goods producing industries in the metropolitan

area. Persistent and long-term unemployment was centered within the sector of durables.

Operational statistics of unemployment insurance furnish relatively reliable and accessible data for ordering and analysing on the basis of a time series. Several local labor market factors could be weighted and analysed particularly in areas with concentrated urban population.

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APPROVAL SHEET

The thesis submitted by Paul P. Baltis has been read and approved by three members of the faculty of the Institute of Social and Industrial Relations.

The final copies have been examined by the director of the thesis and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the thesis is now given final approval with reference to content, form, and mechanical accuracy.

The thesis is therefore accepted in partial fulfillment of the requirements for the Degree of Master of Social and Industrial Relations.

June 1, 1960

Date



Signature of Advisor